

JUN 10 1998

Before the
FEDERAL COMMUNICATIONS COMMISSION
 Washington, D. C. 20554

Federal Communications Commission
 Office of Secretary

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| In the Matter of |) | |
| |) | |
| Program to Monitor Impacts of Universal |) | CC Docket No. 96-45 |
| Service Support Mechanisms |) | CCB-IAD File No. 98-101 |

REPLY COMMENTS

BellSouth Corporation ("BellSouth"), on behalf of itself and its subsidiaries, hereby submits its Reply Comments in the above-captioned proceeding.

In the *Public Notice*, the Bureau suggests that the Commission would gather data provided from the ARMIS filings made by the price cap LECs, in combination with other data provided by the states in the proposed "Quality of Service" section in the Monitoring Reports.¹ In their Comments, Bell Atlantic, US West and GTE oppose the use of ARMIS data in the "Quality of Service" section of the Monitoring Reports. As these parties correctly point out, the *Public Notice*, in suggesting that ARMIS data could be used, disregards the fact that the Commission has under consideration in the ARMIS proceeding² proposals to eliminate the ARMIS Reports which would be the putative source of the monitoring report data. The record in

¹ Public Notice, Common Carrier Bureau Seeks Comment on Program to Monitor Impacts of Universal Service Support Mechanisms, CC Docket No. 96-45, CCB-IAD File No. 98-101, DA 98-580 rel. April 24, 1998 at ¶ 46 ("*Public Notice*").

² In the Matter of Proposed Modifications to ARMIS Service Quality Report Requirements, Proposed Modifications to ARMIS 43-07 Infrastructure Report, AAD File No. 98-22 and AAD File No. 98-23 ("*ARMIS Proceeding*").

the *ARMIS Proceeding* overwhelmingly demonstrates that the ARMIS Reports are outdated, relics of price cap regulation and should be eliminated.³

Monitoring of universal service cannot be used as an excuse to retain ARMIS Reports. As the Commission has already recognized, there has been no evidence of a decline in service quality or network investment since the beginning of price cap regulation.⁴ The fact of the matter is that local exchange carriers have every incentive to provide high quality services and invest in their network infrastructures. ARMIS reporting does nothing to enhance the quality of service.

Further, the Commission must be mindful of its responsibilities under Section 11 of the Telecommunications Act of 1996.⁵ As BellSouth pointed out in the *ARMIS Proceeding*, “the 1996 Act requires the Commission to eliminate, not add to, the unnecessary regulatory burdens that these reporting requirements impose.”⁶ Monitoring quality of service for universal service purposes simply is an insufficient reason to continue to require incumbent LECs to spend the thousands of hours and millions of dollars to prepare ARMIS 43-05, 43-06, 43-07 and 43-08 reports. Before the Commission can require the continued reporting of ARMIS data, it must be shown that the benefit obtained from ARMIS service quality, infrastructure and operating data reports outweigh the burden that reporting such data imposes. It is not enough that the Commission believes that the data may be useful or their use is convenient. The Commission

³ Bell Atlantic at p.3, US West at p. 6 and GTE at p. 3.

⁴ In the Matter of Price Cap Performance Review for Local Exchange Carriers, *First Report and Order*, CC Docket No. 94-1, 10 FCC Rcd 8961, 9121 at ¶ 365 (1995).

⁵ Codified at 47 U.S.C. § 161.

⁶ BellSouth’s Comments, *ARMIS Proceeding*, filed April 24, 1998 at p. 3.

must find that the data are necessary—such a finding cannot be made with respect to ARMIS data.

To the extent that the Commission collects any data for monitoring service quality, it should collect the same information from all other eligible telecommunication carriers. BellSouth concurs with US West that to do anything less would not be competitively neutral.⁷ In order to be competitively neutral and to accurately track standards of quality of service across the nation, the Commission must require all carriers to report the same information. However, the Commission has already drawn the conclusion that gathering service quality information from all eligible telecommunication carriers would be overly burdensome, especially for small telecommunication carriers. As the Commission noted in the *Universal Service Order*,

[w]e will not extend ARMIS reporting requirements to all carriers because we find that additional reporting requirements would impose the greatest burdens on small telecommunications companies. Although we recognize service quality to be an important goal, we conclude that implementing federally-imposed service quality or technical standards for promoting universal service would be inconsistent with the 1996 Act's goal of a 'pro-competitive, de-regulatory national policy framework' ...⁸

Because the Commission has already decided that requiring all telecommunication carriers to file the necessary information would be overly burdensome and would be inconsistent with the 1996 Act, the Commission must realize that any use of ARMIS data for monitoring purposes would be misleading and incomplete.

⁷ US West at 6.

⁸ In the Matter of Federal-State Joint Board on Universal Service, *Report and Order*, 12 FCC Rcd 8776, 8832 at ¶ 99 (1997) (“*Universal Service Order*”).

CONCLUSION

For all the foregoing reasons, the Commission should not require ARMIS data to be included in the quality of service section of the Monitoring Reports.

Respectfully submitted,

BELLSOUTH CORPORATION

By:



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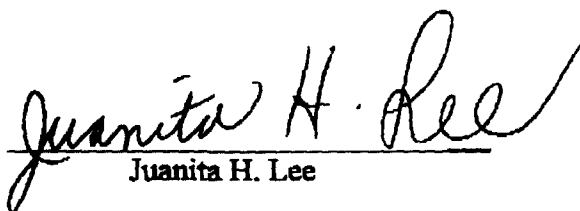
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Date: June 10, 1998

CERTIFICATE OF SERVICE

I do hereby certify that I have this 10th day of June 1998 served the following parties to this action with a copy of the foregoing REPLY COMMENTS by hand delivery or by placing a true and correct copy of the same in the United State Mail, postage prepaid, addressed to the parties listed on the attached service list.



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SERVICE LIST CC DOCKET NO. 96-45/CCB-IAD FILE NO. 98-101

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